

County officials attempt to ease budget concerns

By **MATTHEW McCORMICK**
Staff Writer

Sullivan County Commissioners on Tuesday tried to lay to rest concerns that the budget form they filed with the state contains a \$1.2 million shortfall.

The commissioners met with county bookkeepers, who presented them with a fiscal 2006 draft audit and tried to clear up questions about revenue listed on the form, called an MS-42, as coming from a capital reserve fund that the county does not have.

Rep. Peter Franklin, D-Newport, who attended the session Tuesday, drew attention to the fund earlier this month, raising concerns that the financial blueprint the county submitted to the state Department of Revenue Administration contained a \$1.2 million mistake.

But on Tuesday, the county's accountant, Jeffery A. Graham, president of Vermont-based Graham & Graham, P.C., explained that the listing was not a revenue source in and of itself but a notation that \$1.2 million would be transferred from other revenue sources — about \$700,000 from the nursing home and \$500,000 from taxpayers — for use on capital expenditures.

Such a transfer notation, which Graham said is required by rules governing the com-

See **BUDGET** - Page A7

EAGLE TIMES

Page A7

BUDGET FROM PAGE A1

pletion of the MS-42, exists on the expenditure side of the form under transfers to proprietary funds.

So while Sullivan County may not actually have a capital reserve fund — the state may ask the county to change the money's listing to a "capital projects" category — Graham said its use on the MS-42 does not affect balancing the county's budget.

"I think the important thing to remember is, it (the capital reserve listing) doesn't affect the bottom line," said Commissioner Don Clarke.

The county's fund balance, on the other hand, will.

The fiscal 2006 draft audit, which was conducted by Nashua-based Melanson Heath

& Company, P.C., revealed \$364,264 in unrestricted general fund dollars left over from last year. That is \$322,343 fewer fund balance dollars than the MS-42 calls for the county to use in the coming fiscal year.

But with a total operating budget of \$26.9 million, County Manager Ed Gil de Rubio said that the county would be able to make that deficit up during the year, though he did not yet know where.

"We're cognizant of what we spend," he said, "and \$300,000 should be easy enough to come up with."

Franklin left Tuesday's meeting before he could be asked to comment and efforts to reach him that afternoon were unsuccessful.